
**Introduced by Committee on Revenue and Taxation (Senators
Cedillo (Chair), Alpert, Bowen, and Burton)**

February 27, 2003

An act to amend Sections 23701h and 23701x of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1064, as introduced, Committee on Revenue and Taxation. Corporation taxes: exempt organizations.

The Corporation Tax Law specifies the types of title-holding companies that are exempt from the taxes imposed by that law.

This bill would provide that for purposes of those exemptions, the term "corporation" includes limited liability companies, as specified.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 23701h of the Revenue and Taxation
2 Code is amended to read:
3 23701h. A corporation described in Section 501(c)(2) of the
4 Internal Revenue Code, relating to certain title-holding
5 companies. *For purposes of applying Section 501(c)(2) of the*
6 *Internal Revenue Code under this section, the term "corporation"*
7 *includes a limited liability company, whether classified as an*
8 *association taxable as a corporation, as a partnership, or as a*
9 *disregarded entity.*

1 SEC. 2. Section 23701x of the Revenue and Taxation Code is
2 amended to read:

3 23701x. A corporation or trust described in Section
4 501(c)(25) of the Internal Revenue Code, relating to certain
5 title-holding companies. *For purposes of applying Section*
6 *501(c)(25) of the Internal Revenue Code under this section, the*
7 *term “corporation” includes a limited liability company, whether*
8 *classified as an association taxable as a corporation, as a*
9 *partnership, or as a disregarded entity.*

10 SEC. 3. This act provides for a tax levy within the meaning of
11 Article IV of the Constitution and shall go into immediate effect.

